



16 October 1970

TRACK I

A. .

- 1. The personal emissary of the Mexican President-elect met with Frei to deliver a message from his chief.
- 2.

 3.
- 4. Stations continue to produce propaganda materials with items appearing in

B. Accomplishments:

The propaganda effort by the Stations continues to generate materials which are being surfaced in press and TV media. Assets returning from Santiago are responsible for this recent increase in propactivity.

C. Situation:

Allende and the UP have launched a public campaign attacking Frei and the PDC for turning over to them a badly deteriorated economy. UP sources claim that they will inherit an economy with 200,000 unemployed, an E1.2 million fiscal debt, an inflation rate of 35% and sharply falling corporate and property tax collections. These public attacks, and Allende's recent belligerent stance before the PS plenum in which he pledged himself to strict completion of the UP program, may be intended to pre-condition the public for immediate and drastic economic measures following his inauguration.

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